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MARKET ADMINISTRATOR

Market Administrator's

# BULLETIN

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## Recent Changes In Canadian Dairy Support Program

The Dairy Situation, Economic Research Service USDA, June, 1964

The Canadian support program was changed on May 1, 1963, to bring consumption and production into better balance and to divert milk from butter-powder to cheese. The program helped raise domestic and export uses above the 1963-64 milk production of 19.3 billion pounds. By April 1, 1964, butter stocks were reduced to 176 million pounds, 14 percent below last year's level. Cheddar cheese production rose 14 percent over the previous year, to 134 million pounds. Domestic consumption was maintained at about 100 million pounds and exports rose 14 percent to 31 million pounds.

For the 1964-65 marketing year beginning May 1, only slight changes were made in the support program. To narrow the gap between the support level and selling price for butter, the Agriculture Stabilization Board raised the support purchase price 1 cent to 53 cents a pound for First Grade creamery, basis Montreal and Toronto. Effect on consumption is expected to be insignificant, according to a Canada Department of Agriculture announcement at the end of April. The change will mean that an estimated \$3.5 million of the share of the butter subsidy cost will be transferred from Canadian taxpayers to actual butter users. Meanwhile, the overall support level for butter

is being maintained at 64 cents a pound by means of a Government subsidy paid through manufacturers to producers. The rate for 1964-65 has been set at 13.3 cents per pound of butterfat used for creamery butter production. The rate was 14.5 cents under the 1963-64 program.

The Cheddar cheese support remains at 32½ cents per pound, but to spur production of high quality cheese, a payment of 3.6 cents per pound is authorized for Canada First Grade Cheddar. This replaces the subsidy payment of 30 cents per 100 pounds on milk used for Cheddar production to manufacturing producers.

Export assistance on certain dairy products is continued on essentially the same basis as in the past year, but the products and support levels were not given in the April announcement. The purchase program on dry skim milk and the assistance on milk used for the production of casein are continued on the same basis as in the 1963-64 production year.

The British Board of Trade on May 22 opened a butter quota of 15,000 metric tons (33.6 million tons) from North America. This quota is for the period July through November 1964, and results from declining production in the United Kingdom.

(Continued on Page Four)

## USDA AMENDS 70 FEDERAL MILK MARKETING ORDERS

The U.S. Dept. of Agriculture amended 70 Federal milk marketing orders to provide new, substantially uniform provisions for pricing milk entering a Federal order market or its supply system) from other sources.

The amendments apply both to unregulated milk distributed in the 70 markets and milk already priced under another Federal order which later is sold in any one of the 70 markets.

Provisions of the amending orders are identical with those of the three final decisions issued June 19.

Dairy farmers or their representatives in each of the 70 markets have approved provisions of the final orders.

The decisions are based on evidence presented at three public hearings January 2, 8 and 14, 1963, at Arlington, Va., St. Louis, Mo., and Denver, Colo. Areas covered include portions of 30 States and the District of Columbia.

The hearings were held to consider new methods of dealing with milk entering a Federal order market, after the U. S. Supreme Court invalidated a compensatory payment provision of the New York-New Jersey order. Compensatory payments were sums of money paid into the producer-settlement fund of a market pool area by handlers who received milk from unregulated sources.





*Columbus*

**MARKET FACTS FOR EASY REFERENCE**

**PRICE SUMMARY**

|                                                                  |  |
|------------------------------------------------------------------|--|
| Producers' Uniform Price (3.5%) .....                            |  |
| Class I (3.5%) .....                                             |  |
| Class II (3.5%) .....                                            |  |
| Class III (3.5%) .....                                           |  |
| Class IV (3.5%) .....                                            |  |
| Producer Butterfat Differential for each one-tenth percent ..... |  |

**UTILIZATION SUMMARY**

|                                                  |  |
|--------------------------------------------------|--|
| Percent of Producer Milk in Class I .....        |  |
| Percent of Producer Butterfat in Class I .....   |  |
| Percent of Producer Milk in Class II .....       |  |
| Percent of Producer Butterfat in Class II .....  |  |
| Percent of Producer Milk in Class III .....      |  |
| Percent of Producer Butterfat in Class III ..... |  |
| Percent of Producer Milk in Class IV .....       |  |
| Percent of Producer Butterfat in Class IV .....  |  |

**PRODUCER MILK RECEIPTS**

|                                               |  |
|-----------------------------------------------|--|
| Total Pounds of Producer Milk Delivered ..... |  |
| Average Daily Class I Producer Milk .....     |  |
| Total Number of Producers .....               |  |
| Average Daily Receipts per Producer .....     |  |
| Average Butterfat Test .....                  |  |
| Total Value of Producers Milk at Test .....   |  |
| Income per Producer (7 day average) .....     |  |

**GROSS CLASS USE (Pounds)**

|                          |  |
|--------------------------|--|
| Class I Skim .....       |  |
| Class I Butterfat .....  |  |
| Class I Milk .....       |  |
| Class II Skim .....      |  |
| Class II Butterfat ..... |  |
| Class II Milk .....      |  |

**AVERAGE DAILY SALES (Quarts)**

|                  |  |
|------------------|--|
| Milk .....       |  |
| Buttermilk ..... |  |
| Chocolate .....  |  |
| Skim .....       |  |
| Cream .....      |  |

| July<br>1964 | June<br>1964   | July<br>1963 |
|--------------|----------------|--------------|
| \$3.73       | \$3.55         | \$3.64       |
| 4.26         | 4.17           | 4.19         |
| 3.12         | 3.11           | 3.81         |
| —            | —              | 3.61         |
| —            | —              | 2.99         |
| 7.1¢         | 7.0¢           | 7.1¢         |
| 71.1         | 65.9           | 73.7         |
| 70.8         | 65.2           | 73.5         |
| 28.9         | 34.1           | 8.9          |
| 29.2         | 34.8           | 2.5          |
| —            | —              | 5.8          |
| —            | —              | 7.9          |
| —            | —              | 11.6         |
| —            | —              | 16.1         |
| 46,821,764   | 49,000,295     | 36,129,136   |
| 1,073,802    | 1,076,372      | 859,185      |
| 1,668        | 1,671          | 1,358        |
| 906          | 978            | 858          |
| 3.54         | 3.58           | 3.55         |
| \$1,854,161  | \$1,894,081.00 | \$1,449,090  |
| \$251        | \$264.48       | \$240        |
| 32,113,675   | 31,146,591     | 25,692,071   |
| 1,174,173    | 1,144,566      | 942,660      |
| 33,287,848   | 32,291,157     | 26,634,731   |
| 14,614,414   | 20,751,110     | 3,194,053    |
| 510,016      | 759,078        | 31,728       |
| 15,124,430   | 21,510,188     | 3,225,781    |
| 393,538      | 394,918        | 287,389      |
| 7,453        | 7,006          | 5,823        |
| 19,124       | 16,970         | 11,738       |
| 12,276       | 13,012         | 10,037       |
| 8,936        | 9,681          | 7,714        |

Area Extended Effective May 1, 1964

COMPARATIVE STATISTICS



COLUMBUS MARKETING AREA



JULY, 1955 - '64

| Year      | Receipts From Producers | Average Butter-fat Test | Percentage of Producer Milk in Each Class |          |           |          | Uniform Producer Price (3.5%) | Class Prices at 3.5% |          |           |          | Number of Producers | Daily Average Production |
|-----------|-------------------------|-------------------------|-------------------------------------------|----------|-----------|----------|-------------------------------|----------------------|----------|-----------|----------|---------------------|--------------------------|
|           |                         |                         | Class I                                   | Class II | Class III | Class IV |                               | Class I              | Class II | Class III | Class IV |                     |                          |
| 1955..... | 24,524,882              | 3.69                    | 67.9                                      | 8.0      | 12.2      | 11.9     | 3.64                          | 4.282                | 3.883    | 3.315     | 3.137    | 2,086               | 379                      |
| 1956..... | 25,619,223              | 3.74                    | 67.7                                      | 8.8      | 10.6      | 12.9     | 3.84                          | 4.602                | 3.942    | 3.372     | 3.197    | 2,044               | 404                      |
| 1957..... | 25,721,802              | 3.66                    | 72.3                                      | 8.2      | 14.9      | 4.6      | 3.79                          | 4.379                | 3.979    | 3.479     | 3.057    | 1,906               | 435                      |
| 1958..... | 25,099,314              | 3.67                    | 72.0                                      | 8.8      | 11.0      | 8.2      | 3.51                          | 4.079                | 3.679    | 3.514     | 2.856    | 1,808               | 448                      |
| 1959..... | 26,599,943              | 3.67                    | 79.6                                      | 8.3      | 4.1       | 8.0      | 3.76                          | 4.293                | 3.893    | 3.279     | 2.879    | 1,749               | 491                      |
| 1960..... | 27,223,982              | 3.67                    | 75.5                                      | 7.8      | 3.5       | 13.2     | 3.63                          | 4.206                | 3.806    | 3.784     | 2.883    | 1,644               | 534                      |
| 1961..... | 28,284,509              | 3.61                    | 73.1                                      | 8.8      | 4.6       | 13.5     | 3.89                          | 4.48                 | 4.08     | 3.499     | 3.164    | 1,241               | 735                      |
| 1962..... | 31,679,728              | 3.59                    | 72.7                                      | 8.2      | 5.0       | 14.1     | 3.56                          | 4.12                 | 3.752    | 3.556     | 2.936    | 1,311               | 780                      |
| 1963..... | 36,129,136              | 3.55                    | 73.7                                      | 8.9      | 5.8       | 11.6     | 3.64                          | 4.19                 | 3.811    | 3.61      | 2.99     | 1,358               | 858                      |
| 1964..... | 46,821,764              | 3.54                    | 71.1                                      | 28.9     | —         | —        | 3.73                          | 4.26                 | 3.12     | —         | —        | 1,668               | 906                      |

## Sales Of Fluid Milk Products, Sets New High For 1963

The Dairy Situation, Economic Research Service USDA, June, 1964

Sales of fluid milk products reached a record 56 billion pounds in 1963, 3 percent higher than in 1962. Per capita sales of all fluid products, at 308 pounds, were 4 pounds higher than 1962. All of these figures are estimated in terms of quantities of fluid milk products sold through regular commercial channels on a product weight basis.

Per capita sales of whole milk in 1963 rose above the previous year for the first time since 1956. The rise in skim milk items and decline in cream sales in 1963 are continuations of long-time trends.

Estimated sales for the United States by product groups are based on reported sales in selected Federal order markets. For 1963 these data include purchases by about 40 percent of the milk-buying population. Sales estimates are more useful for analysis trend than estimates of total 1963 consumption. The percentage of

milkfat in fluid products dropped rather sharply in 1963. The milkfat test of producer milk also declined, but by a smaller amount. Most of the downward trend in fat content of fluid products was due to the change in the proportion of skim milk and cream items in total fluid sales. The fat content of fluid whole milk has changed little during this 1950-63 period, while the fat content of skim milk has increased with the growth of fortified skim milk and 2 percent milk. The average fat content of cream items, which include milk and cream mixtures, and light, heavy, and sour cream, has declined—with a sharper drop in heavy cream sales.

In 1963, per capita consumption of fluid milk and cream, in milk equivalent terms, was higher than in 1962 in 46 of the 75 Federal and State marketing areas; unchanged in 6 areas and lower in 23 areas. Per capita consumption ranged from 384 pounds milk equivalent, in Minneapolis-St.

Paul to 156 pounds in Mississippi. The national level was 308 pounds per person. Among causes of these market-to-market variations in use of fluid products are relative prices, incomes, habits, and amount of substitution, both of lower fat milk for higher fat items and manufactured products for bottled milk.

Per capita consumption of whole milk products in 1963 over 1962 in 41 of the 80 marketing areas; skim markets; and the milk equivalent of milk products increased in 69 of 78 cream consumption declined from a year earlier in 56 of the 76 markets. Per capita consumption of skim milk products ranged from 6.9 pounds per person in the New York Metropolitan area to 109.5 pounds in the Sioux Falls-Mitchell, South Dakota. Use of cream products varied from 6 pounds equivalent in South Carolina and Appalachian marketing areas to 62 pounds in Minneapolis-St. Paul.

## Milk Cows On Farms Below A Year Ago

Milk Production - August 1964

The number of milk cows in the United States in June is estimated at 16,072,000, about 3 percent below a year earlier, according to the Crop Reporting Board. The decrease from June 1962 to June 1963 was also 3 percent. Milk cow numbers have declined each year since 1953, with an

average annual decline of 2.7 percent.

Wisconsin led all states in the number of milk cows; Minnesota ranked second, followed by New York, Pennsylvania and California. These 5 States account for 38 percent of the Nation's milk cows.

June milk cow numbers were be-

low a year earlier in all except 3 States — Florida, with no change; and New Mexico and Arizona, with 2 percent increases. The decline from June 1963 was only 1 percent in several important dairy States, including New York, Michigan, Wisconsin and Minnesota.



## MILK OUTPUT PER COW UP 3 PERCENT

Milk Production - August 1964

The July output per cow at 675 pounds, was 2.6 percent above the 657 pounds produced during July 1963 and 9 percent above the 5-year average July production of 617 pounds. The average daily rate of 21.8 pounds per cow on July was down 11 percent from June, the same seasonal decline as in 1963. Production per cow was at a record level for July in 44 States. The 5 leading States in July output per cow were California, Alaska, Washington, Arizona and Hawaii.

## JULY MILK-FEED PRICE RATIO UP 3 PERCENT

Milk Production - August 1964

The milk-feed price ratio in July was 1.33, compared with 1.29 a year earlier — up 3 percent. The 1958-62 average for July is also 1.33. Seasonally, the July ratio was up 6 percent from June, compared with the 5 percent increase in 1963; the 5-year average change from June to July is 4 percent. The more favorable July ratio resulted from an increase in whole milk prices and a decline in the value of grain and concentrates. In cream-selling areas, the July milkfat-feed price ratio was 23.5, compared with 22.6 a year earlier and the 5-year average of 24.1.

## JULY MILK PRODUCTION

### SLIGHTLY BELOW A YEAR EARLIER

Milk Production - August 1964

July milk production in the United States is estimated at 10,824 million pounds — slightly below July 1963 and 1 percent below the 1958-62 average for the month. As a result of the mid-year review of milk cow numbers, June milk production has been revised upward to 11,790 million pounds, 0.4 percent less than in June 1963. On a daily basis, milk production declined 11 percent from June to July this year, about the same seasonal decline as last year. July milk production amounted to 1.82 pounds per person daily, compared with 1.85 pounds a year earlier.

Milk production in July was below a year earlier in 28 States. Small gains over July 1963 were recorded in several important dairy States, including Michigan, Wisconsin, Minnesota, and California. New record highs in July milk production were

set in 7 States — Florida Louisiana, New Mexico, Arizona, Nevada, California, and Hawaii. Production dropped to new record lows for July in 17 States.

### RECENT CHANGES . . .

(Continued from Page One)

It is expected that this quota will be filled from Canadian stocks at about 33½ Canadian cents, Canadian ports, as well as from U.S. stocks. Stocks held by the Canadian Board in early May were about 50 million pounds of 1960 and 1961 production. At the end of April, according to trade sources, 61 million pounds of Canadian butteroil stocks had been sold or committed. Most of this amount was for continental Europe, and a smaller quantity was for the United Kingdom.

## Market Quotations

JULY  
1964

|                                                                                                              |        |
|--------------------------------------------------------------------------------------------------------------|--------|
| MINNESOTA - WISCONSIN PRICE SERIES .....                                                                     | \$3.15 |
| MIDWEST CONDENSERIES 3.5% per Cwt. ....                                                                      | 3.016  |
| Skim Milk Powder-Butter Price, 3.5% per Cwt. (Columbus) .....                                                | 3.026  |
| Average Price per lb. 92-score butter at Chicago .....                                                       | .5800  |
| Average carlot prices non-fat dry milk solids,<br>roller and spray process, f.o.b. manufacturing plant ..... | .1423  |

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## Market Administrator's BULLETIN

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